

WEATHER FORECAST.  
Fair and continued cold to-day; to-mor-  
row fair; moderate northwest winds.  
Highest temperature yesterday, 57; lowest, 19.  
Detailed weather reports on last page.

# PRESIDENT PROCLAIMS RAILWAYS UNDER U. S. CONTROL; McADOO IS DIRECTOR GENERAL WITH UNLIMITED POWERS; OPERATING INCOME ASSURED; 3 YEARS AVERAGE THE BASIS

## PRESIDENT WILL DROP CROZIER, IS LATEST SIGN

He Receives Urgent Appeals From All Over Country to Take Action.

MAY BE NO DIFFERENCE

Baker Said to Be Convinced That Evidence Is Too Strong.

Special Dispatch to The Sun.  
WASHINGTON, Dec. 26.—There are growing indications here that Major-General William Crozier, chief of the bureau of ordnance, will have to step down from his position of administrative authority as a result of the charges made against him by the Senate Military Committee. Secretary Baker is understood to realize that no adequate defense can be made of Crozier's position as an issue. Appeals are reaching the President from all parts of the country to take the bull by the horns and let Gen. Crozier go. Despite the defense which Gen. Crozier has made against the charges of delay, confusion and red tape in the ordnance department there has developed a general impression in the public mind, it is said, that the interests of the army have not been best served by the methods which Gen. Crozier employed. The testimony of Col. J. N. Lewis, inventor of the Lewis machine gun, who charged that Gen. Crozier discouraged his efforts even after European governments adopted his gun as an efficient weapon, has undoubtedly had much to do toward crystallizing the sentiment against "Crozierism" as it is now called. President Wilson is known to be advanced to permit the judgment of the military committee to be influenced by popular opinion in matters of this character, but in cases where clamor is based on specific facts the President is known to be more difficult to move. Therefore it is regarded as very probable here that the President will weigh carefully the evidence by the military committee and take action accordingly. Secretary Baker declines to comment on the general result of the testimony concerning Gen. Crozier, which has featured the committee hearings. He defended today the action of Gen. Crozier in writing to Judge Hand of the United States District Court in New York in June last year, "Character witness for Capt. Hans Tauscher of Krupp, who was on trial on a charge of conspiracy to blow up the Welland Canal." Mr. Baker said there was nothing out of the way for an army officer to act as character witness, and that this appeared to be all that Gen. Crozier had done. He added that Gen. Crozier and Capt. Tauscher were naturally brought into relationship by circumstances.

## WILL RECALL BLISS TO ACTIVE DUTY General to Be Reappointed Chief of Staff.

WASHINGTON, Dec. 26.—Secretary Baker announced formally tonight that Gen. Bliss would be recalled to active duty and reappointed Chief of Staff. He also said Major-General Bliss would be continued as Assistant Chief of Staff. The decision to recall Gen. Bliss is regarded in army circles as an extraordinary compliment, since it has rarely been the case in any army that a retired officer has headed the military machine. The task of preparing the army for war has rested almost wholly on the shoulders of Gen. Bliss from the start. Prior to his trip to Europe to attend the great war conference with Col. House, officers who served with him feared his health would not stand the strain. He has been almost continuously at his desk at all hours of the day and night. The European trip, however, not only put him into the closest possible touch with the conditions for which the country is preparing but also served to give him a needed rest from the cares of his post and he came back much refreshed. Gen. Bliss was Assistant Chief of Staff when war was declared. In addition to his other duties the general is senior army member of Secretary Baker's new War Council. One of the tasks of that body, it was learned tonight, is the formulation of recommendations for legislation needed by the army. The council has been in daily session with Mr. Baker since its creation and has already framed such recommendations, which will soon be laid before Congress.

## GREEKS MAY SERVE U. S. Authorization Given for Subjects of Nation to Enlist Here.

WASHINGTON, Dec. 26.—Greece has given official authorization for enlistment of her nationals in the American army. Not only will the customary punishment in such cases not be inflicted but the volunteers will be rewarded. A formal statement from the Greek Legation to-day said that any Greek military unit in the United States forces and decorated for gallantry would receive like honors from his own country. Greece has many thousands of well-trained troops who are residents of this country.

## GLAD ARCHIE MAY BE CAPTAIN.

Old Roosevelt is delighted. He heard last night from Washington that Glad Archie may be made Captain. "Glad Archie" is a "captain" said his father. "I am as proud as can be."

## BOLSHEVIK FALL NEAR; GERMANY DELAYS PARLEY

Fearing Lenin's Collapse, Asks Month to Answer Russian Terms.

SENDS COMMISSION EAST

Slav Revulsion Against Radicals Grows—Own Troops Refuse to Fight Cossacks.

PETROGRAD, Dec. 26.—It is reported that the German delegation which was expected in Petrograd Thursday is proceeding to Drinsk instead, fearing a visit to Petrograd would be misinterpreted. There is an unofficial report, which cannot be confirmed, that the Russians have given the Germans forty-eight hours in which to accept or reject the Russian peace proposals. Various advisers from Petrograd as well as from other points in Russia and even from Germany seem to indicate the fact that the enemy has lost faith in the ability of Lenin and his followers to establish any government that will have the sanction of more than a very small class of Russians. German troops again are moving toward the Russian border, especially toward the south. The possible object of this is seen in a desire to protect the big wheat crop of southern Russia. The negotiations were to be resumed Monday, but again have been delayed. Officially it is stated that the delay is due to a desire for time on the part of the Germans in formulating their reply, but in reality it would seem that the Germans are rapidly nearing collapse of the Bolshevik regime and are preparing to stand firm under. A Berlin dispatch by way of Amsterdam says that the commission provided for in the armistice agreement proceeded for Petrograd today. It is headed by Count von Mirbach, former German Minister to Greece. It will undertake to reach an agreement with the Russian authorities for the exchange of civilians and incapacitated soldiers and also, it is claimed, "to restore relations between Russia and Germany." The commission includes a number of officials of the Foreign and War Offices. There have been many assertions in recent Petrograd dispatches that the influence and power of the Bolsheviks were waning, but never with such unanimity as in special dispatches dated from the Russian capital Sunday and printed today. The dispatches state that the Bolsheviks are losing the confidence of the workers and soldiers' organization is growing constantly. Among the causes alleged are general lack of authority, the increase in drunkenness, the reluctance of the population to work and the scarcity of foodstuffs. The main desire of the soldiers is said to be for peace.

The correspondents cite instances of Bolshevik troops refusing to march, declining to attack the Ukrainians and permitting the Cossacks to disarm them without resistance. Fighting, it is said, is being avoided.

## Expert Says Tobacco Is a Real Necessity

"TOBACCO is a necessity, not a luxury. We must have tobacco," declared the British Food Controller, Lord Rhondda, in London yesterday. Conditions in America do not differ greatly from conditions in England. And it is generally agreed that the need is much greater with the soldier than with the civilian. You can help supply this necessity of the Americans at the front by contributing to THE SUN Tobacco Fund. The Akron Club is going to help with a splendid entertainment at the Plaza Hotel next Saturday night. The performers held a dress rehearsal last night which gave promise of great things. Besides a three act musical farce, "One Minute, Please," there will be dance and song novelties and general dancing. Read about it all on page 5.

To-night is Tobacco Fund night at the Drury Lane Theatre, 117 West 125th street. A special picture will be shown and Virginia Pearson, the Fox movie star, will make two addresses.

Charles A. Phipps of Boston has donated \$500 of blue ribbon chickens which will be sold for the fund at the great poultry show which opens in Madison Square Garden to-morrow morning and continues till Tuesday night.

WARNING! THE SUN TOBACCO FUND has no connection with any other fund, organization or publication. It employs no agents or solicitors.

## BY THE PRESIDENT OF THE UNITED STATES OF AMERICA A PROCLAMATION

WHEREAS the Congress of the United States, in the exercise of the constitutional authority vested in them, by joint resolution of the Senate and House of Representatives, bearing date April 6, 1917, resolved:

"That the state of war between the United States and the Imperial German Government which has thus been thrust upon the United States is hereby formally declared, and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial German Government, and to bring the conflict to a successful termination, all of the resources of the country are hereby pledged by the Congress of the United States."

And by joint resolution bearing date of December 7, 1917, resolved:

"That a state of war is hereby declared to exist between the United States of America and the Imperial and Royal Austro-Hungarian Government, and that the President be, and he is hereby, authorized and directed to employ the entire naval and military forces of the United States and the resources of the Government to carry on war against the Imperial and Royal Austro-Hungarian Government, and to bring the conflict to a successful termination, all of the resources of the country are hereby pledged by the Congress of the United States."

And whereas it is provided by section 1 of the act approved August 29, 1916, entitled "An act making appropriations for the support of the army for the fiscal year ending June 30, 1917, and for other purposes," as follows:

"The President, in time of war, is empowered, through the Secretary of War, to take possession and assume control of any system or systems of transportation, or any part thereof, and to utilize the same, to the exclusion as far as may be necessary of all other traffic thereon, for the transfer or transportation of troops, war material and equipment, or for such other purposes connected with the emergency as may be needed or desirable."

And whereas, it has now become necessary in the national defense to take possession and assume control of certain systems of transportation and to utilize the same, to the exclusion as far as may be necessary of other than war traffic thereon for the transportation of troops, war material and equipment thereon, and for other needed and desirable purposes connected with the prosecution of the war.

Now, therefore, I, Woodrow Wilson, President of the United States, under and by virtue of the powers vested in me by the foregoing resolutions and statute, and by virtue of all other powers thereto me enabling, do hereby, through Newton D. Baker, Secretary of War, take possession and assume control at 12 o'clock noon on the twenty-eighth day of December, 1917, of each and every system of transportation and the appurtenances thereof located wholly or in part within the boundaries of the continental United States and consisting of railroads, and owned or controlled systems of coastwise and inland transportation, engaged in general transportation, whether operated by steam or by electric power, including also terminals, terminal companies and terminal associations, sleeping and parlor cars, private cars and private car lines, elevators, warehouses, telegraph and telephone lines and all other equipment and appurtenances commonly used upon or operated as a part of such rail or combined rail and water systems of transportation, to the end that such systems of transportation be utilized for the transfer and transportation of troops, war material and equipment to the exclusion so far as may be necessary of all other traffic thereon, and that so far as such exclusive use be not necessary or desirable, such systems of transportation be operated and utilized in the performance of such other services as the national interest may require and of the usual and ordinary business and duties of common carriers.

It is hereby directed that the possession, control, operation and utilization of such transportation systems hereby by me undertaken shall be exercised by and through William G. McAdoo, who is hereby appointed and designated Director General of Railroads.

Said director may perform the duties imposed upon him, so long and to such extent as he shall determine, through the boards of directors, receivers, officers and employees of said systems of transportation. Until

and except so far as said directors shall from time to time by general or special orders otherwise provide, the boards of directors, receivers, officers and employees of the various transportation systems shall continue the operation thereof in the usual and ordinary course of the business of common carriers, in the names of their respective companies.

Until and except so far as said director shall from time to time otherwise by general or special orders determine, such systems of transportation shall remain subject to all existing statutes and orders of the Interstate Commerce Commission, and to all statutes and orders of regulating commissions of the various States in which said systems or any part thereof may be situated. But any orders, general or special, hereafter made by said director shall have paramount authority and be obeyed as such.

Nothing herein shall be construed as now affecting the possession, operation and control of street electric passenger railways, including railroads commonly called interurbans, whether such railways be or be not owned or controlled by such railroad companies or systems. By subsequent order and proclamation, if and when it shall be found necessary or desirable, possession, control or operation may be taken of all or any part of such street railway, systems, including subways and tunnels, and by subsequent order and proclamation possession, control and operation in whole or in part may also be relinquished to the owners thereof of any part of the railroad systems or rail and water systems, possession and control of which are hereby assumed.

The director shall as soon as may be after having assumed such possession and control enter upon negotiations with the several companies looking to agreements for just and reasonable compensation for the possession, use and control of the respective properties on the basis of an annual guaranteed compensation, above accruing depreciation and the maintenance of their properties, equivalent, as nearly as may be, to the average of the net operating income thereof for the three year period ending June 30, 1917—the results of such negotiations to be reported to me for such action as may be appropriate and lawful.

But nothing herein contained, expressed or implied, or hereafter done or suffered hereunder, shall be deemed in any way to impair the rights of the stockholders, bondholders, creditors and other persons having interests in said systems of transportation or in the profits thereof, to receive just and adequate compensation for the use and control and operation of their property hereby assumed.

Regular dividends hitherto declared, and maturing interest upon bonds, debentures and other obligations, may be paid in due course, and such regular dividends and interest may continue to be paid until and unless the said director shall from time to time otherwise by general or special orders determine, and, subject to the approval of the director, the various carriers may agree upon and arrange for the renewal and extension of maturing obligations.

Except with the prior written assent of said director, no attachment by means process or on execution shall be levied on or against any of the property used by any of said transportation systems in the conduct of their business as common carriers; but suits may be brought by and against said carriers and judgments rendered as hitherto until and except so far as said director may, by general or special orders, otherwise determine.

From and after 12 o'clock on said twenty-eighth day of December, 1917, all transportation systems included in this order and proclamation shall conclusively be deemed within the possession and control of said director without further act or notice, but for the purpose of accounting said possession and control shall date from 12 o'clock midnight on December 31, 1917.

In witness whereof, I have hereto set my hand and caused the seal of the United States to be affixed.

Done by the President, through Newton D. Baker, Secretary of War, in the District of Columbia, this twenty-sixth day of December, in the year of our Lord one thousand nine hundred and seventeen, and of Independence of the United States the one hundred and forty-second.

WOODROW WILSON.  
NEWTON D. BAKER, Secretary of War.  
By the President:  
ROBERT LANSING, Secretary of State.

## ADMIRAL WEMYSS SUCCEEDS JELICOE

Important Post Hinted for Retiring First Sea Lord.

Special Cable Dispatch to The Sun from the London Times.  
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LONDON, Dec. 26.—Vice-Admiral Sir Roslyn Wemyss has been appointed First Sea Lord at the Admiralty, succeeding Admiral Sir John R. Jellicoe. The latter has been created a peer in recognition of his services. The change has important significance. There is an official intimation that Admiral Jellicoe's abilities soon may be utilized in another important post. Admiral Jellicoe was made supreme commander of the Home fleet at the outbreak of the war. He previously had commanded both the Atlantic and the Home fleets and has been Second Sea Lord. He was made First Sea Lord the summer after the battle of Jutland and Vice Admiral Sir David Beatty was named to command the Grand Fleet. Admiral Wemyss was made Second Sea Lord last August. He had been a Rear Admiral since 1912 and, though little known to the public, has a fine naval record.

## SNOW ON WESTERN FRONT.

It Interferes With Major Operations in France.

LONDON, Dec. 26.—Snow has interfered to a great extent with major operations in France, but there has been spirited activity in several sectors. Berlin reports an increased bombardment southeast of Ypres, on the Belgian front, and near Marcoling and Meuseval, on the Cambrai front. The British official reports refer to hostile artillery actions near Havincourt and east of Ypres. French guns silenced a spirited shelling on the right bank of the Meuse, near Bezonvaux. Successful French raids have been made near St. Quentin and in upper Alsace.

## MORE BEER FOR ENGLAND.

Order Permits 20 Per Cent. Increase in Output.  
LONDON, Dec. 26.—The Food Controller has issued an order permitting brewers to increase their present output by 20 per cent. in the first quarter of the new year. The order also permits an additional increase of 12 1/2 per cent. for brewers supplying "necessitous munition areas."

## AMERICAN NAVY ENLARGES ITS WAR ZONE OPERATIONS

Protects Shipping in Mediterranean and Takes Action to Cope With German Cruiser Raiders—No Restriction in Other Fields.

Special Dispatch to The Sun.  
WASHINGTON, Dec. 26.—As a result of the inter-allied conference in Paris the United States Navy has received by the opportunity to increase the scope of its activities and it is possible that an announcement shortly will be made of a new move involving the American navy in the Mediterranean. This plan, which has already been taken, is based on a new disposition of American naval forces. Meanwhile American destroyers have begun operations to protect merchantmen which enter and leave the Mediterranean. This means that the United States is effectively assisting Italy as a result of the recent war declaration against Austria. German or Austrian submarines seeking to prey on vessels plying in this particular zone will be held in check, it is expected, by American as well as other anti-submarine forces. It must not be assumed, it is explained, that the initiation of American assistance in protecting commerce in the Mediterranean means a weakening of the American naval forces operating in the war zone near the British or French coasts. Details relating to the disposition of American warships are barred from publication but in a general way it is known now that the strength of the American naval forces has been so increased that the United States is a real factor in the naval warfare.

## BLIND MEN FIGHT OVER WAR.

German Beats Nightless Russian Unconscious With Cane.  
Two blind men, inmates of the Home for Aged and Infirm on Blackwell's Island, became enraged yesterday during an argument concerning the war and fought to a finish. Gustav Sallor, who came from Germany, took the German and the discussion against Alexander Rued, who is 69 and a former subject of Russia. The sightless men faced each other as they sat on their cots and waded into

## ASSAILANT OF NAVY OFFICER SENTENCED

Participant in Gun Attack Gets One Year.

For complicity in the brutal beating to death of Chief Boatwain Gunn of the United States Navy at a recruiting rally outside a Brooklyn theatre in November, Thomas Tully, 28 years old, a member of the former Twenty-third Infantry, N. G. N. Y., was sentenced yesterday by County Judge May to one year in the penitentiary. Ensign Robert Stewart was in court as representative of the navy. Tully had pleaded guilty to a misdemeanor with the hope of getting a suspended sentence. In passing sentence the court said he was largely influenced by naval officials, who considered the untimely end of one of their most efficient members too serious a loss to the navy. Some punishment and added that if the prisoner were brought before a Federal court martial he would be given a very severe sentence. "No case has given me more concern than this one," said Judge May. "No doubt every one connected with this affair deeply regrets it. You may not have been the direct cause of the death of this officer, but you were indirectly involved in it and the consequence was that one whom the country badly needed in its service is lost. The navy feels that the life of one of its best officers was taken away improperly and that punishment should be meted out commensurate with the circumstances." Some one at the rally shouted, "To hell with the army!" Gunn was in civilian clothes. He was attacked by several lawless men who shouted the derisive phrase. He did not reveal his identity, probably because he was violating a regulation by being out of uniform.

## TWO CHINESE JESUITS HERE.

Belgian Refugee and Colleague Will Work in Orient.  
The Rev. Chan Pek Tok and the Rev. Simon Tang, two Chinese members of the Jesuit order, arrived in this city from Portugal yesterday. They will leave San Francisco for China early in January. Father Tok was ordained in Louvain twenty-two years ago and was stationed in England, Belgium, when the war began. He made his way to Oporto just before England was captured by the Germans. He and Father Tang will do missionary work in China.

## Government Takes Hold at Noon Tomorrow, With Financial Accounting to Reckon From End of the Year

## TELEPHONE AND TELEGRAPH LINES AND WAREHOUSES ARE INCLUDED

Right Is Reserved to Take Over at Later Date All Street and Interurban Electric Railways, Including Subways and Tunnels

Special Dispatch to The Sun.  
WASHINGTON, Dec. 26.—President Wilson by proclamation to-night takes possession of all the nation's railroads, including their auxiliary water lines, and places them under the charge of Secretary of the Treasury McAdoo, who will have the title of Director General of Railroads. Mr. McAdoo will not resign as Secretary of the Treasury.

Under the proclamation the control of the railways will pass to the Government at noon on Friday, but for accounting purposes Government control is to date from midnight December 31, which is the beginning of the railroads' fiscal year. The widest possible powers are conferred upon Director General McAdoo, who becomes in effect, dictator of railroads.

Complete provision is made for the maintenance of the railroad properties and for a proper return to stock and bond holders.

## STATEMENT BY THE PRESIDENT.

The President's move was a great surprise to nearly everybody in Washington. There was a general belief that he would await the reassembly of Congress before taking action.

A statement issued by Mr. Wilson at the time of his proclamation gives his reasons for the drastic action taken. The statement follows: "I have exercised the powers over the transportation systems of the country which were granted me by the act of Congress of August, 1916, because it has become imperative necessary for me to do so. "This is a war of resources no less than of men, perhaps even more than of men, and it is necessary for the complete mobilization of our resources that the transportation systems of the country should be organized and employed under a single authority and a simplified method of coordination which have not proved possible under private management and control.

The committee of railway executives who have been cooperating with the Government in this all important matter have done the utmost that it was possible for them to do; have done it with patriotic zeal and with great ability; but there were differences of opinion that they could neither escape nor neutralize. "Complete unity of administration in the present circumstances involves upon occasion and at many points a serious dislocation of earnings, and the committee was, of course, without power or authority to rearrange chances or effect proper compensation and adjustment of earnings. Several roads which were willingly and with admirable public spirit in the conduct of the war, the committee have deemed it necessary to dislocate of earnings, and the committee was, of course, without power or authority to rearrange chances or effect proper compensation and adjustment of earnings. Several roads which were willingly and with admirable public spirit in the conduct of the war, the committee have deemed it necessary to dislocate of earnings, and the committee was, of course, without power or authority to rearrange chances or effect proper compensation and adjustment of earnings.

"The Government itself will thereby gain an immense increase of efficiency in the conduct of the war, and the numerous activities upon which its successful conduct depends. "The public interest must be first secured and added to the financial interests of the Government and the financial interests of the railways must be brought under a common direction. The financial operations of the railways need not the interference with the borrowings of the Government, and they themselves can be conducted at a great advantage. "The Government of the United States is the only great government now engaged in the war which has not already assumed control of this sort. It was thought to be in the spirit of American institutions to attempt to do everything that was necessary through private management, and if zeal and ability and patriotic motives could have accomplished the necessary coordination of administration it would certainly have been accomplished; but no zeal or ability could overcome the perable obstacles, and I have deemed it my duty to recognize that fact in all candor now that it is demonstrated and to use without reserve the great authority reposed in me. "A great national necessity dictated the action, and I was therefore not at liberty to abstain from it. "WOODROW WILSON."

## COAL SITUATION IMPELLING CAUSE FOR TAKING ROADS

Special Dispatch to The Sun.  
WASHINGTON, Dec. 26.—As fore-shadowed in THE SUN, the President has acted under the authority vested in him by the rider to the army bill passed August 28, 1916, under which he was empowered in time of war to take possession of any or all of the railroads for the transportation of troops or war material, or for such other purposes connected with the emergency as may be deemed advisable. "While opinion has differed here among lawyers as to whether or not authority was conveyed in this statute to accomplish the present purpose of Government operation of all the railroads for commercial as well as war purposes, the President, after consulting certain eminent lawyers, who assured him that it did contain all the necessary authority, decided to-night to invoke this law and act at once to end the transportation middle. One of the most powerful impelling motives was the coal situation, which in the last few days has threatened to become more serious.

New Legislation to Be Urged.  
While the President has put his plan into execution at once, without awaiting the reassembly of Congress, he made known his intention to-night to recommend to Congress legislation covering the financial details of the plan so far as these may be required by Congress as appropriation. This will cover the sums necessary to guarantee railroad earnings and the money to keep the properties and equipment in good repair. The railroads are to be reimbursed during the period of their operation by the Government on the basis of the

average of their net operating income for the three years ended June 30, 1917. This will include one bad year—1915, but the average of the three years since 1915—and two good years, 1916 and 1917. The average net operating income upon which the proposed guarantee is to be based would be about \$547,000,000, which would represent a return upon the book cost of the railroads of about 4.5 per cent. In 1916 the return was 5.8 per cent. The net operating income for these years was as follows: 1915, \$728,000,000; 1916, \$1,042,000,000; 1917, \$1,069,000,000.

Roads to Agree Separately.  
Mr. McAdoo, as director of the railroads, is directed to enter into negotiations with the railroad companies "for just and reasonable compensation" on this basis, the result of his negotiations to be reported to the President for such action as he may decide is appropriate and lawful. In other words, it is for each railroad to agree to the plan of compensation the Government proposes. The reservation is made in the proclamation to the owners of the properties to protect their rights as they may see fit, however. The railroads may continue to pay their regular dividends and interest on bonds, and the right to charge these is reserved to Mr. McAdoo. Mr. McAdoo becomes not only the operating head of a railway system of 263,000 miles but the controller of their entire fiscal policy. Included with the railroad system which he will manage is also the operation of the Pullman Company and all other systems of private cars, as well as elevators and warehouses, telegraph and telephone lines that are a part of the transportation system of the country. Not only will Mr. McAdoo, under the authority given to him by the President,